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139 East Fourth Street P.O. Box 960 Cincinnati, Ohio 45201-0960

PUBLIC SERVICE COMMISSION

October 25, 2007

Ms. Beth O'Donnell Executive Director Kentucky Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40602

RE: Case No. 2002-00240, Case No. 2004-00393 Duke Energy Kentucky Rider NM Annual Informational Report

Dear Ms. O'Donnell:

In its order dated September 13, 2002 in Case No. 2002-00240, the Commission ordered Duke Energy Kentucky to file information on Rider NM (Net Metering Rider) for the preceding twelve months ending August 31. Following is information pertaining to Duke Energy Kentucky's Net Metering program as of August 31, 2007:

One customer has received service under Rider NM as of August 31, 2007.

- a) The number of customers, separately identifying residential customers and school customers:
 One residential customer began net metering service in mid-August 2007.
- b) The amount of energy, in kilowatt-hours, delivered to and received from, each customer for the 12 months ended August 31: The amount of energy the customer used will be available on next year's report since the participant began the program in mid-August 2007.
- c) A schedule which identifies, by customer, the period of time (on-peak or off-peak) during each month in which energy was received from the customer and the amount of energy received during each period: This information will be provided on next year's report because the participant began the program in mid-August 2007.
- d) A listing by month, by customer, that shows any credit balances resulting from the customer generating more electricity than was consumed during the month: This information will be provided on next year's report because the participant began the program in mid-August 2007.

Very truly yours,

James E. Ziolkowski

Jane E. Zerthach.